

No. 12,849.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

PATTERSON-BALLAGH, INC. and BYRON JACKSON Co., INC.,

Appellants,

vs.

PERRY M. MOSS and PHOEBE E. MOSS,

Appellees.

APPELLEES' BRIEF.

WESTALL & WESTALL,

JOSEPH F. WESTALL,

EDWARD F. WESTALL,

608 South Hill Street,

Los Angeles 14, California,

Attorneys for Plaintiff and Nominal Plaintiff.

FILED

MAR - 7 1952

PAUL P. O'BRIEN
CLERK

TOPICAL INDEX.

PAGE

A full statement of the case.....	1
Vitally important documents to be offered in evidence.....	4
Elementary and well-settled law applicable to the circumstances just set forth.....	8
Other defenses set up in defendants' answer—Laches.....	12
Other defenses	12
The defense of alleged prior use.....	12

TABLE OF AUTHORITIES CITED.

CASES	PAGE
Beckwith v. Malleable Iron Range Company, 174 Fed. 1001.....	11
J. A. Mohr & Son v. Alliance Securities Company, 14 F. 2d 799	11
San Francisco Cornice Co. v. Beyrle, 195 Fed. 516.....	9
Schumacher et al. v. Buttonlath Mfg. Co., 292 Fed. 522.....	9
Warren Telechron Co. v. Waltham Watch Co., 91 F. 2d 472.....	8

TEXTBOOKS

Walker on Patents (Deller's Ed.), Sec. 701, p. 2010.....	10
--	----

No. 12,849.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

PATTERSON-BALLAGH, INC. and BYRON JACKSON Co., INC.,
Appellants,

vs.

PERRY M. MOSS and PHOEBE E. MOSS,
Appellees.

APPELLEES' BRIEF.

A Full Statement of the Case.

Before taking up specifically, a consideration of amendments or changes in appellants' statement of the case, we want to present the following complete statement, which we know aided Judge Weinberger greatly in his disposition of the case: This action was originally instituted by Perry M. Moss as plaintiff, who, on January 16, 1948, assigned his entire right, title and interest in and to the letters patent in suit immediately to be described, to his wife, Phoebe E. Moss, together with all right to recover for past infringement thereof. On pre-trial, February 3, 1948, said Phoebe E. Moss requested leave to file an amended, substituted and supplemental complaint, setting up her ownership of the patent in suit and her right to recover for past infringement thereof, which was granted, defendants to answer said complaint within three days.

Said answer of defendants has since, on February 7, been filed.

In said action as originally filed, and in said amended and supplemental complaint, infringement is charged of claims 2 and 7 of letters patent of the United States No. 2,190,880, granted to said Perry M. Moss, February 20, 1940, on an application filed January 21, 1938.

The subject-matter of said patent is quite simple, and easily understood, and it will be sufficient for present purposes to state that the subject-matter is described in the short, descriptive title of said patent as "Draw Works Line Controller" and its nature is very lucidly described in opening paragraphs of said letters patent as follows:

"This invention is a draw works line guide or controller for deep well rigs.

Such draw works are designed to wind and unwind powerful cables which lift and lower tackle and work strings of many tons weight. If the helices of the wire cable or line, as it is called, do not coil true along the drum cylinder in lateral lay and if they tend to build up in overlapped turns out of true the cable will, when subjected to tension by load, suddenly slip centripetally of the drum wraps with a very serious jar through the tense line to the crown pulley and rig, but the more immediate detriment is the disastrous chaffing and breaking of the wire strands of the costly cable. The off-true and overlap of windings is caused by lateral vibrations of the cable line between the drum and an overhead crown works.

Various devices have been proposed whereby to so control the running line that it will wind true along the drum but such devices have not been sufficiently successful to go into even moderate use in the oil fields, and such as have are not maintained in service.

It is an object of this invention to provide a line or cable control of such construction and combination as not only to eliminate the lateral whip or vibrations but also to so engage the cable that it will be least subjected to lateral surface contact and pressure incident to its use."

We have in evidence, in the taking of the Moss deposition later referred to, a model oil well derrick and a model of the device of the patent in suit, which will enable the court to understand it very readily.

While the patent generally is charged to be infringed, we have specified particularly claims 2 and 7, believing with our present knowledge that such are the only claims which have been infringed by defendants or either of them. Said claims read as follows:

"2. A draw works drum line controller body having an elongate, line receiving bore, a pair of opposite lateral control devices each including parts diverging toward the opposite ends of and connected to said body to stabilize it against vibration on its minor axis in the plane of said devices, and a suspension means connected to said body at a point eccentric to the major axis and adjacent to one end of the body to support the body in normal position with the bore substantially parallel and contiguous to the line for reception thereof substantially without load of the body on the line when this is in a vertical plane transverse to the axis of the draw works drum.

7. A draw line control apparatus including a shell structure, bearing means mounted in the shell, means for suspending the shell to receive and pass the said draw line, bridle means extending toward opposite sides of the shell, and oppositely directed arms rigidly secured to the shell and to which the said bridle means

are respectively connected; said suspending means including a device hitched to the shell at a point eccentric to its bore to cause the shell to hang at a desired angle from the vertical; and said shell consisting of elongate opposed sections, and band parts secured to said sections and having connected hinge eyes at one side of the shell and opposed lugs for fastening means at the opposite side of the shell.”

The original plaintiff, Perry M. Moss, is and has been so ill that he was not able to be present at the trial, but his deposition was taken and filed with many exhibits in September, 1947. Witnesses were present at the trial who corroborated all parts of Mr. Moss' deposition.

Vitally Important Documents To Be Offered in Evidence.

We shall offer in evidence a certified copy of the file wrapper and contents (application proceedings resulting in the grant) of Letters Patent of the United States No. 2,238,398, granted to John E. Reed on April 15, 1941. This is the patent which was referred to in defendants' pre-trial brief on page 3 thereof, beginning line 10, under which defendants were operating prior to their charged infringement and, contrary to counsel's statement, were *not* operating under since, but are still operating under and in violation of the Moss patent in suit.

It will be shown to be true that there was apparently a very slight difference between the subject-matter of claims 2 and 7 and the disclosure of the Reed patent, BUT this difference was shown very clearly by the evidence to be the difference between success and failure.

A matter of great importance in connection with said Reed patent just above referred to, under which defen-

dants admit they were operating (and wrongfully alleged they are still operating) is that at page 48 of said Reed patent application proceedings. Reed, through his attorneys, Lyon and Lyon, requested the Patent Office Examiner in charge of said application to, by amendment, add a claim (No. 23) very similar to the claims of the Moss patent sued on, but omitting the hanging means constituting a most important essence of the Moss patent in suit. In the argument in support of said application, Reed, through his attorneys, said (page 49, Reed file wrapper) :

“The above claim has been copied from claim 2 of the Moss patent No. 2,190,880, issued February 20, 1940, on an application filed January 21, 1938.

Claim 23 differs from claim 2 of the Moss patent only in that it omits the recital that the suspension means is connected ‘adjacent to one end of the body.’ Claim 23 is drawn under the practice of *Card & Card* with the request that an interference be declared between applicant’s claim 23 and claim 2 of the Moss patent. The two devices are substantially identical and the limitation omitted from claim 23 does not affect the patentability of the claim.

On April 17, 1940, assignee of the present application received a notice charging infringement by the device of this application of the Moss patent, and an interference proceeding appears to be the proper mode of determining any issue of priority that may exist. Substantially the same subject-matter is claimed as can be seen from allowed claim 17.

The foregoing amendment is not intended as a complete response to the Patent Office action of April 15, 1940, but is made for the purpose of facilitating a prompt declaration of interference. Respectfully submitted.”

The great importance of this matter is that after having *adjudicated* by the grant of the Moss patent in suit, that the subject-matter referred to in said last-quoted argument involved invention and was not anticipated by any reference cited, the Patent Examiner AGAIN decided the same question in Office Action of June 22, 1940, page 50, file wrapper contents of Reed, as follows:

“In response to amendment filed June 8, 1940.

The proposed amendment of June 8, 1940, requesting an interference and presenting a claim numbered 23 alleged to be substantially similar to claim 2 of the patent to Moss No. 2,190,880 issued February 20, 1940 has not been entered for the following reasons:

No interference would exist even if claim 23 were entered, as it is essentially different from claim 2 of the patent to Moss. One of the objects of the invention of Moss, page 1, lines 31 to 40, is to provide a line controller which in its normal working position forms a guide along the axis of the cable so that the cable may run quite free from bearing contact pressure. As can be seen clearly from Fig. 1 of the drawing of Moss the line 2 slopes from the draw works drum to the top of the derrick p and to carry out the object noted above the line controller must also hang at the same slope as the line 2. Moss accomplishes this by suspending his controller at one end 12 by line 14. Therefore proposed claim 23 presented by applicant without the limitation ‘and adjacent to one end of the body’ in reference to the position of the ‘suspension means’ omits a relevant part of claim 2 of Moss and upon which the last 5 lines of function in claim 2 depends. Applicant’s device as disclosed in this case has no suspension means adjacent to one end of his body but provides his suspension means at the center of his body. The

function in the last 5 lines of proposed claim 23 is not accomplished by applicant's device and is not disclosed in this case.

It is also noted applicant has not complied with the requirements of Rule 94 as he has not specifically applied the terms of the copied claim to his own disclosure.

For the above reason claim 2 of Moss is considered to be patentably different from proposed claim 23 and proposed claim 23 is therefore not admitted in this case.

The case is still under the final rejection of April 15, 1940."

After this last-quoted Office Action, Reed, through his attorneys, acquiesced in the ruling, *i.e.*, did not appeal to the Board of Appeals from said Office Action, and allowed the Reed patent to issue on theretofore allowed claims not pertinent to any of the present issues.

We offered in evidence also the file wrapper contents (application proceedings) of the Moss patent in suit to show that *all* patents listed in defense as alleged anticipations or in support of an argument of lack of invention of the subject-matter of the Moss claims allowed *were fully and completely and carefully considered by the Patent Office*, not only in the Moss application proceedings, but also in those of the Reed patent above referred to under which defendant had theretofore been operating, and thus granted the patent, and doubly affirmed it by, after the grant, rejecting an attempt to secure an interference with the Moss claims, deciding that Moss could make the claim and had, but Reed could not because not disclosed in Reed's patent.

We remind that in their answer to the supplemental complaint of the successor in interest of said Perry M. Moss, Phoebe E. Moss, defendants list in their complaint in the attack upon validity, ten United States patents, among which is Reed, and we have already stressed the fact that each and all of these patents had been fully carefully and doubly considered by the Patent Office, as shown in both file wrappers of Moss and Reed.

**Elementary and Well-settled Law
Applicable to the Circumstances
Just Set Forth.**

The immediately foregoing stated circumstances greatly increase the presumption of validity of the Moss patent in suit, as the following authorities will show :

In *Warren Telechron Co. v. Waltham Watch Co.*, 91 F. 2d 472, a decision by the Circuit Court of Appeals for the First Circuit, June 30, 1937, before Wilson and Morton, Circuit Judges, and Morris, District Judge, opinion by Morton, at the middle of the second column, page 473, the court said :

“The file wrapper and contents show that the Examiner gave the matter careful and competent attention. The patents which he first cited against the application were not anticipations, as he later recognized, and are not now relied on as anticipations. He concluded that the application, notwithstanding the simplicity of the device, showed invention. His judgment is not to be set aside unless we are satisfied that he was wrong and that the step which Warren took was obvious to anybody in that art.”

In the case of *Schumacher et al. v. Buttonlath Mfg. Co.*, 292 Fed. 522, a decision by the Circuit Court of Appeals for the Ninth Circuit before Morrow and Hunt, Circuit Judges, and Dietrich, District Judge, after remarking (first paragraph, page 531) that the invention (in that case, plaster board) may display invention of a high order, said:

“Have the plaintiffs, in their process of making plaster board, displayed such invention? The expert examiners of the Patent Office say they have, and a patent was issued to plaintiffs on such examination. The patent itself is *prima facie* evidence that the patentee was the first inventor. At least it casts upon him who denies it the burden of sustaining his denial by proof *beyond a reasonable doubt*. *Smith v. Good-year Dental Vulcanite Co.*, 93 U. S. 486, 498, 23 L. Ed. 952; *San Francisco Cornice Co. v. Beyrle*, 195 Fed. 516, 115 C. C. A. 426; *Consolidated Contract Co. v. Hassam Paving Co.*, 227 Fed. 436, 440, 142 C. C. A. 132; *Los Angeles Lime Co. v. Nye* (C. C. A.), 270 Fed. 155, 163; *Selectasine Patents Co. v. Prest-O-Graph Co.* (D. C.), 267 Fed. 840, 843.”

Another important decision of the Circuit Court of Appeals for this circuit is *San Francisco Cornice Co. v. Beyrle*, 195 Fed. 516, before Judges Gilbert and Morrow, Circuit Judges, and Wolverton, District Judge. At the beginning of the opinion, page 518, the court says:

“[Morrow, Circuit Judge (after stating the facts as above).] The defense to the action rests upon two grounds: First, that the patent is void for the want of invention or discovery; and, second, that the defendant has not infringed.

With respect to the first defense, the rule is that the burden of proof is upon the defendant to estab-

lish this defense, for the grant of letters patent is *prima facie* evidence that the patentee is the first inventor of the device, or the discoverer of the art or process, described in the letters patent and of its novelty. *Smith v. Goodyear Dental Vulcanite Co.*, 93 U. S. 486, 489, 23 L. Ed. 952; *Lehnbeuter v. Holthaus*, 105 U. S. 94, 26 L. Ed. 939. *Not only is the burden of proof to make this defense upon the party setting it up, but it has been held that every reasonable doubt should be resolved against him.* *Cantrell v. Wallick*, 117 U. S. 689, 695, 6 Sup. Ct. 970, 29 L. Ed. 1017. [Our italics.]”

Such law has been repeated many times by the Supreme Court, as will appear on final argument.

In other words, the patent in suit is charged with a capital offense of invalidity, and, in order to convict, the same rule as in a murder trial is applicable, *i.e.*, the offense must be proven *beyond a reasonable doubt*.

We have stated that the file wrapper contents of both Reed and Moss in suit show that the Patent Office carefully considered all references stated as being relied upon by defendants in their attacks upon validity in this case.

In Walker on Patents (Deller's Edition), page 2010, Section 701, the author says:

“The presumption of validity is strengthened by the circumstance that the alleged anticipating patent was considered by the Patent Office in connection with the application for the patent in suit. [*Hale & Kilburn Mfg. Co. v. Oneonta, etc. Ry. Co.*, 129 Fed. 598, 600 C. C. N. Y. (1904); *Beckwith v. Malleable Iron Range Co.*, 174 Fed. 1001, 1012, C. C., Wis. (1910); *New Jersey Wire Cloth Co. v. Buffalo Expanded Metal Co.*, 131 Fed. 265, 268, C. C., N. Y. (1904); *J. A. Mohr & Son v. Alliance Securities*

Co., 14 F. (2d) 790, C. C. A. 9 (1926); Einson Freeman Co. v. Int. Folding Paper Box Co., 21 F. (2d) 701, 703, D. C., N. Y. (1927); Nordberg Mfg. Co. v. Woolery Machine Co., 79 F. (2d) 685, 687, C. C. A. 7 (1935); Gulf Smokeless Coal Co. v. Sutton Steele & Steele, 35 F. (2d) 433, 437, C. C. A. 4 (1929), cert. den. 280 U. S. 609, 74 L. Ed. 652 (1930).]”

Another important Ninth Circuit case is *J. A. Mohr & Son v. Alliance Securities Company*, 14 F. 2d 799, October 18, 1926, before Circuit Judges Gilbert, Hunt and Rudkin. At the end of their opinion, the court says:

“And the presumption that a patented combination is new and useful and embodies invention has added force where, as here, it appears that the patents relied upon as showing anticipation were considered by expert patent office officials. While their judgment is not absolutely binding on a court, it is entitled to great weight and is to be overcome only by clear proof that they were mistaken and that the combination lacks patentable novelty. *Fairbanks v. Stickney*, 123 F. 79, 59 C. C. A. 209; *Hale & Kilburn Mfg. Co. v. Oneonta, C. & R. S. Ry. Co.* (C. C.), 129 F. 598; *MacClemmy v. Gilbert Corset Co.* (D. C.), 221 F. 73; *New Jersey Wire Cloth Co. v. Buffalo Expanded Metal Co.* (C. C.), 131 F. 265.”

In the case of *Beckwith v. Malleable Iron Range Company*, 174 Fed. 1001, Circuit Court, E. D. Wisconsin, at the middle of page 1010, it is said:

“The law is well settled that such prior accidental production, when the character and function were not recognized until the patented invention came into being, cannot be relied upon by way of anticipation. *Walker on Patents* (4th Ed.) 67; *Wickelman v. Dick Co.*, 88 Fed. 264, 266, 31 C. C. A. 530; *Tilghman*

v. Proctor, 102 U. S. 707, 711, 26 L. Ed. 279; Pittsburgh Reduction Co. v. Cowles Co. (C. C.), 55 Fed. 301; Chase v. Fillebrown (C. C.), 58 Fed. 377."

Other Defenses Set Up in Defendants' Answer—Laches.

We cannot, at the time of preparing this brief, more than surmise what, on behalf of appellants, will represent as proven or attempted to be proven, and therefore cannot effectively anticipate in this brief. However, we do know that appellee has not been guilty of the laches charged, and are sure that the same can be thoroughly shown on argument of this appeal.

Other Defenses.

We cannot completely visualize or anticipate how the ten patents set up in the answer will be attempted to be used; but we again here remind that, as heretofore stated and explained, each and every one of those patents have been fully considered by the Patent Office before the grant, and therefore, under the authorities heretofore cited, this strengthens the presumption of validity.

The Defense of Alleged Prior Use.

Again in our pre-trial brief we could not fully anticipate how such defense will be attempted to be proven. Nevertheless, we are confident after proceeding thus far that there has not been and could not be any such alleged prior use necessary to defeat either of the claims in suit.

Respectfully submitted,

WESTALL AND WESTALL (JOSEPH F.
WESTALL and EDWARD F. WESTALL),

By JOSEPH F. WESTALL,

Attorneys for Plaintiff and Nominal Plaintiff.

We are agreeing with the statements of opposing counsel on pages 1, 2, 3 and 4 of the text of the opening brief for appellants but DO NOT agree with appellants' statement on page 5 of said brief which reads as follows: NOT as indicated. As to page 7 of appellants' brief: to be correct it should read as follows: "but we sold one in April 1937 and appellants thereafter continued right along with their infringement. We agree with their statements on pages 8 and 9 thereof; but on page 10, accuracy calls for the correction 1.(a) to which we add it was not obvious until Moss did it. As to paragraph 1(b) there is no sufficient proof of the assertion contained in said paragraph. As to appellants' 1(c) the Smith patent shows an eye on each side, near the middle, but the evidence shows that Appellants did not make them the same as Smith. As to page 11(d) we certainly did claim it and it was allowed. As to page 12 of appellants' said statement, counsel are mistaken in asserting that the hanging lines functioned to *support* the spooler, as this line, as shown in Defendants' Exhibit B is slack.

On behalf of appellees on this appeal we rely upon each and every of the patents which have been cited and relied upon on behalf of appellants on this appeal; but contend that none of them is of any real pertinence to any of the issues in this case. If opposing counsel should contend otherwise, we shall answer it fully on the oral argument of this appeal.

We also rely upon Walker on Patents, Deller's Edition, and particularly on the text beginning Section 84, page 347 of Volume 1 of Walker on Patents, just above cited. Said Section 84 relating to experimental use, and as to what constitutes experimental use, and cases cited page 347, and on page 338.

I WANT TO CALL YOUR HONOR'S ATTENTION TO THE OPINION OF JUDGE WEINBERGER, DISTRICT JUDGE WHO TRIED THE CASE; WHICH BEGINS AT PAGE 20 OF THE PRINTED RECORD. EVERY CIRCUMSTANCE OF FACT AND LAW, WAS MOST THOROUGHLY CONSIDERED AFTER MANY ARGUMENTS, FIRST ON ONE POINT AND THEN ON ANOTHER, UNTIL ALL FACTS AND LAW WERE BEFORE THE COURT. I HAVE BEEN ENGAGED IN MANY PATENT AND TRADEMARK CASES OVER VERY MANY, MANY YEARS, FIRST IN CHICAGO AND LATER IN LOS ANGELES, AND I HAVE NEVER SEEN SO COMPLETE AND THOROUGH A DECISION AS THAT OF JUDGE WEINBERGER.